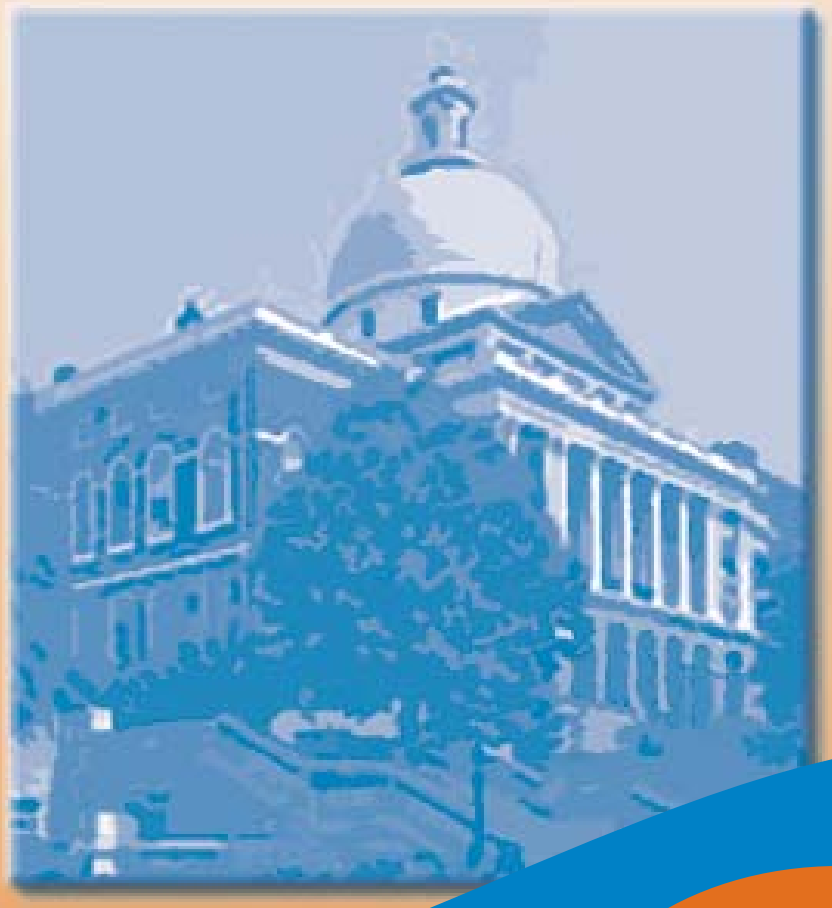
Commonwealth INDEMNITY PLAN

Medicare Extension Plan

Benefit Updates and Important Information



SERIES 2
EFFECTIVE
JULY 1, 2006

Commonwealth of Massachusetts
Group Insurance Commission

UniCare®

Updates to the Commonwealth Indemnity Plan Member Handbook

This booklet contains important updates to your Commonwealth Indemnity Medicare Extension Plan coverage, effective July 1, 2006. Please keep this year's benefit update—together with the Series 2 Member Handbook and the 2004 and 2005 Series 2 benefit updates—in a convenient place for easy access when you need to refer to your health plan information.

If you have any questions about these changes, please call the Commonwealth Service Center at **(800) 442-9300**, Monday through Thursday from 8:30 a.m. to 6:00 p.m., and Friday from 8:30 a.m. to 5:00 p.m. If you are deaf or hard of hearing and have a TDD machine, contact us on our TDD lines at (800) 322-9161 or (978) 474-5163. A customer service representative will be happy to help you.

This benefit update has also been added to the Plan's web site: **www.unicare-cip.com.** This updated information will be included in the next printed revision of the Member Handbook.

Note: The page references in this document refer to Member Handbook pages, unless otherwise specified.

Benefit Clarifications

Preventive Care

The coverage for preventive care on page 24 of the Benefit Highlights section of the Series 2 Member Handbook is deleted and replaced with the following to include the preventive care laboratory services benefit:

	Without CIC	With CIC
Preventive Care		🕮 **Also see pages 33-34**
Office Visits *(refer to frequency limits on pages 33-34)*	100% after a $5 copay per visit. The copay does not count toward the calendar year deductible.	100% after a $5 copay per visit. The copay does not count toward the calendar year deductible or the out-of-pocket maximum.
Annual Gynecological Visits	100% after a $5 copay per visit. The copay does not count toward the calendar year deductible.	100% after a $5 copay per visit. The copay does not count toward the calendar year deductible or the out-of-pocket maximum.
Immunizations	100%	100%
Diagnostic Laboratory Testing	80%	100%

Preventive Care

Item 24(d) on page 34 of the Description of Covered Services section of the Series 2 Member Handbook is modified to add the following:

- Colonoscopy for routine screening (once every 10 years after age 50)

Exclusions

The following items have been added to the Exclusions section on pages 38-40 of the Series 2 Member Handbook:

- Benefits for the diagnosis, treatment or management of mental health/substance abuse conditions by medical (non-mental health) providers. These benefits are covered when provided by mental health providers (see United Behavioral Health section for coverage details).

- Molding helmets

Limitations

Item 12 in the Limitations section on page 42 of the Series 2 Member Handbook is deleted and replaced with the following:

12. Treatment of Temporomandibular Joint (TMJ) disorder is limited to the initial diagnostic examination, initial testing and medically necessary surgery.

Plan Definitions

The following definition is added to the Plan Definitions section on pages 43-49 of the Series 2 Member Handbook:

"Terminal Illness" – an illness, which, if it runs its course, is associated with a life expectancy of six months or less.

General Provisions

The following wording is added to the description of full-time student coverage on page 50 of the General Provisions section of the Series 2 Member Handbook:

The member is responsible for notifying the Plan of any changes in full-time student status.

Do You Have Medical Coverage under Another Health Plan?

If you have medical benefits under another health plan in addition to the Commonwealth Indemnity Plan and Medicare, you need to let us know by completing our "Other Health Insurance" form. This way, we can work with the other health plan to determine which plan has the primary responsibility for providing coverage for each service.
This is called "coordination of benefits." This provision lets members with coverage under another plan use the coverage available to them under **all** health plans in which they are enrolled.

You must also complete the Other Health Insurance form if any of your **family members** covered under the Commonwealth Indemnity Plan also have medical benefits under another health plan.

Important: **You do not have to complete the Other Health Insurance form if you only have health plan coverage under the Commonwealth Indemnity Plan. It is not necessary to tell us about coverage under:**

- Medicare
- MassHealth
- TriCare, or
- other types of coverage such as dental, vision or life insurance plans

How to Get a Copy of the "Other Health Insurance" Form

- ***New*** **Plan Members:** You'll find a copy of this form in your welcome package.
- ***Renewing*** **Plan Members:** You can download this form from our web site at **www.unicare-cip.com** by clicking on the link for "Other Health Insurance Form" on the Forms and Documents web page. Or call us at (800) 442-9300 to request the form.

Need Help?

If you're not sure whether you need to complete the Other Health Insurance form, a customer service representative can help you. Please call (800) 442-9300.

Resources Available on the Plan's Web Site

Member access to the Healthwise® Knowledgebase at **www.unicare-cip.com**, the Plan's web site, has been replaced with access to *Web*MD® Personal Health Manager™. *Web*MD® Personal Health Manager™ provides members with a highly personalized online health experience by bringing together trusted health information, enhanced personalized capabilities and comprehensive health risk assessments—including tracking and reminder tools—to help you better manage your health care and health care decision making. You can tailor the site to your own particular medical background and receive medical information directly related to your conditions and diagnoses. You'll find this resource on our Health Care Resources web page.

The Plan's web site, **www.unicare-cip.com**, offers you an extensive range of Plan-related and general health care information and resources. These resources give you the ability to:

- Check the status of your claims
- Find out about member discounts on a variety of health-related products and services.
- Access information to help you understand and manage various health conditions and treatment procedures with the Healthcare Advisor™. This resource also provides profiles of health care facilities to help you assess where to best receive care, based on your needs and preferences.
- Visit *Web*MD® Personal Health Manager™ to help you better manage your health care and health care decision making.
- Learn what's being done to improve patient safety in hospitals and how this information may help you select a hospital. Find out the extent to which hospitals in your area have implemented safety initiatives developed by the Leapfrog Group for Patient Safety and how frequently they have performed certain procedures.
- Access important Plan information, such as notification requirements.
- View your Member Handbook, benefit updates and detailed descriptions of certain Plan benefits.
- Check our list of Preferred Vendors for durable medical equipment and medical supplies.
- Order Plan materials, e-mail the Plan and more.

Prescription Drug Benefit Plan – *Administered By:*

EXPRESS SCRIPTS®

Effective July 1, 2006

Express Scripts is the pharmacy benefit manager for your prescription drug benefit plan. If you have any questions about your prescription drug benefits, contact Express Scripts toll free at (877) 828-9744 (TDD: (800) 855-2881).

The following information replaces the second paragraph of text as well as the chart located in the Express Scripts section on page 7 of the 2005 Series 2 benefit update:

One of the ways your plan maintains coverage of quality cost-effective medications is a multi-tier copayment pharmacy benefit. Effective July 1, 2006, copayments for omeprazole (generic Prilosec®) will decrease. Copayments will increase for non-preferred brand name drugs purchased through home delivery (mail order). The following chart illustrates your copayment based on the type of prescription you fill and where you get it filled.

Copayment for:	Participating Retail Pharmacy up to a 30-day supply	Home Delivery (Mail Order) up to a 90-day supply
Tier 1: Generic Drugs All generic drugs *except:* • omeprazole *(acid reducer)* • Value Tier generics • Also covered: Prilosec OTC® *(28-day supply – retail; 84-day supply – mail)**	$7	$14
Tier 2: Preferred Brand Name Drugs All preferred brand name drugs *and:* • omeprazole *(acid reducer)*	$20	$40
Tier 3: Non-Preferred Brand Name Drugs All non-preferred brand name drugs *including:* • COX-2 inhibitors *(pain and inflammation – Celebrex®)* • Brand name proton pump inhibitors *(acid reducers – currently Aciphex®, Nexium®, Prilosec®, Prevacid®, Protonix®)*	$40	$90
Value Tier • Generic statin *(cholesterol lowering – lovastatin)* • Generic H-2 antagonists *(acid blockers – cimetidine 300, 400 and 800mg; famotidine 40mg; nizatidine 150 and 300mg; ranitidine 300mg)*	$2	$4

** Due to manufacturer packaging*

Notice of Group Insurance Commission Privacy Practices

The following information is added to the Series 2 Member Handbook as Appendix C.

This notice describes how medical information about you may be used and disclosed, and how you can get access to this information. Please review it carefully.

By law, the GIC must protect the privacy of your personal health information. The GIC retains this type of information because you receive health benefits from the Group Insurance Commission. Under federal law, your health information (known as "protected health information" or "PHI") includes what health plan you are enrolled in and the type of health plan coverage you have. This notice explains your rights and our legal duties and privacy practices.

The GIC will abide by the terms of this notice. Should our information practices materially change, the GIC reserves the right to change the terms of this notice, and must abide by the terms of the notice currently in effect. Any new notice provisions will affect all protected health information we already maintain, as well as protected health information that we may receive in the future. We will mail revised notices to the address you have supplied, and will post the updated notice on our website at www.mass.gov/gic.

Required and Permitted Uses and Disclosures

We use and disclose protected health information ("PHI") in a number of ways to carry out our responsibilities. The following describes the types of uses and disclosures of PHI that federal law requires or permits the GIC to make *without* your authorization:

Payment Activities – The GIC may use and share PHI for plan payment activities, such as paying administrative fees for health care, paying health care claims, and determining eligibility for health benefits.

Health Care Operations – The GIC may use and share PHI to operate its programs that include evaluating the quality of health care services you receive, arranging for legal and auditing services (including fraud and abuse detection); and performing analyses to reduce health care costs and improve plan performance.

Other Permitted Uses and Disclosures – The GIC may use and share PHI as follows:

- to resolve complaints or inquiries made on your behalf (such as appeals)
- to verify agency and plan performance (such as audits)
- to communicate with you about your GIC-sponsored benefits (such as your annual benefits statement)
- for judicial and administrative proceedings (such as in response to a court order)
- for research studies that meet all privacy requirements
- to tell you about new or changed benefits and services or health care choices

Required Disclosures – The GIC must use and share your PHI when requested by you or someone who has the legal right to act for you (your Personal Representative); when requested by the United States Department of Health and Human Services to make sure your privacy is being protected, and when otherwise required by law.

Organizations that Assist Us – In connection with payment and health care operations, we may share your PHI with our third party "Business Associates" that perform activities on our behalf, for example, our Indemnity Plan administrator. When these services are contracted, we may disclose your health information to our business associates so that they can perform the job we have asked of them. These business associates will be contractually bound to safeguard the privacy of your PHI.

Except as described above, the GIC will not use or disclose your PHI without your written authorization. You may give us written authorization to use or disclose your PHI to anyone for any purpose. You may revoke your authorization so long as you do so in writing; however, the GIC will not be able to get back your health information we have already used or shared based on your permission.

Your Rights

You have the right to:

- Ask to see and get a copy of your PHI that the GIC maintains. *You must ask for this in writing.* Under certain circumstances, we may deny your request. If the GIC did not create the information you seek, we will refer you to the source (e.g., your health plan administrator). The GIC may charge you to cover certain costs, such as copying and postage.
- Ask the GIC to amend your PHI if you believe that it is wrong or incomplete and the GIC agrees. *You must ask for this in writing, along with a reason for your request.* If the GIC denies your request to amend your PHI, you may file a written statement of disagreement to be included with your information for any future disclosures.
- Get a listing of those with whom the GIC shares your PHI. *You must ask for this in writing.* The list will *not* include health information that was: (1) collected prior to April 14, 2003; (2) given to you or your personal representative; (3) disclosed with your specific permission; (4) disclosed to pay for your health care treatment, payment or operations; or (5) part of a limited data set for research.
- Ask the GIC to restrict certain uses and disclosures of your PHI to carry out payment and health care operations; and disclosures to family members or friends. *You must ask for this in writing.* Please note that the GIC will consider the request, but we are not required to agree to it and in certain cases, federal law does not permit a restriction.
- Ask the GIC to communicate with you using reasonable alternative means or at an alternative address, if contacting you at the address we have on file for you could endanger you. *You must tell us in writing that you are in danger, and where to send communications.*
- Receive a separate paper copy of this notice upon request (an electronic version of this notice is on our web site at www.mass.gov/gic).

If you believe that your privacy rights may have been violated, you have the right to file a complaint with the GIC or the federal government. GIC complaints should be directed to: GIC Privacy Officer, P.O. Box 8747, Boston, MA 02114. Filing a complaint or exercising your rights will not affect your GIC benefits. To file a complaint with the federal government, you may contact the United States Secretary of Health and Human Services. To exercise any of the individual rights described in this notice, or if you need help understanding this notice, please call (617) 727-2310, extension 1 or TTY for the deaf and hard of hearing at (617) 227-8583.

Your Prescription Drug Coverage and Medicare

The following information is added to the Series 2 Member Handbook as Appendix D.

Important Notice
About Your Prescription Drug Coverage and Medicare

The Centers for Medicare Services requires that this *NOTICE OF CREDITABLE COVERAGE* be sent to you. Please read it carefully and keep it where you can find it.

Starting January 1, 2006, new Medicare prescription drug coverage will be available to everyone with Medicare. This notice:

- applies to you only if you are currently Medicare-eligible or if you should become Medicare-eligible within the coming year;
- provides information about your GIC-sponsored drug coverage and the new Medicare drug coverage to help you decide whether to enroll in one of the Medicare drug plans;
- explains your options; and
- tells you where to find more information to help you make a decision.

FOR MOST PEOPLE, THE DRUG COVERAGE YOU CURRENTLY HAVE THROUGH YOUR GIC HEALTH PLAN IS A BETTER VALUE THAN THE NEW MEDICARE DRUG PLANS', SO YOU DO NOT NEED TO PAY FOR ADDITIONAL DRUG COVERAGE.

The New Medicare Drug Plans

The new Medicare prescription drug benefit, also known as Medicare Part D, will be offered through various health plans and other organizations. All Medicare prescription drug plans will provide at least the standard level of coverage set by Medicare; some plans might also offer more coverage for a higher monthly premium. In order to decide whether to join a Medicare drug plan, compare which drugs the Medicare drug plans in your area cover and their costs, and consider the following information:

- **You can continue to receive prescription drug coverage through your GIC health plan rather than joining a new Medicare drug plan. Most GIC members do not need to do anything and should not enroll in a Medicare drug plan.**
- Your GIC drug coverage is part of your GIC health insurance, which pays for your health expenses as well as your prescription drugs.
- If you elect Medicare drug coverage, you will have to pay for the entire Medicare drug coverage premium.
- If you should enroll in a Medicare drug plan while you are also enrolled in Fallon *Senior Plan*, Harvard Pilgrim Health Care *First Seniority* or Tufts Health Plan *Medicare Preferred* (formerly *Secure Horizons)*, you will lose your GIC-sponsored health plan coverage under current Medicare rules.
- If you have limited income and assets, the Social Security Administration offers help paying for Medicare prescription drug coverage. Help is available on-line at www.socialsecurity.gov, or by phone at (800) 772-1213 (TTY: (800) 325-0778).

Creditable Coverage Information

Your GIC prescription drug coverage is, on average, expected to pay out at least as much as the standard Medicare drug coverage will pay. This means that your GIC coverage is "Creditable Coverage." You may need to show this notice to the Social Security Administration as proof that you have Creditable Coverage (to avoid paying a premium penalty), if you later enroll in a Medicare drug plan.

If you drop or lose your GIC coverage and do not enroll in a Medicare prescription drug plan soon after your GIC coverage ends, you could be required to pay a premium penalty for Medicare drug coverage when you do enroll. After May 15, 2006, if your GIC coverage ends and you delay 63 days or longer to enroll in Medicare drug coverage, you will have to pay a premium penalty for as long as you have Medicare drug coverage. Your monthly Medicare drug premium will go up at least 1 percent per month for every month after May 15, 2006 that you do not have creditable drug coverage. In addition, you may have to wait until the next Medicare annual enrollment period to enroll.

For more information about this notice or your prescription drug coverage options:

- Call (800) MEDICARE – (800) 633-4227. TTY users should call (877) 486-2048.
- Visit www.medicare.gov.
- Call the Group Insurance Commission at (617) 727-2310.

Commonwealth
Indemnity Plan
Administered by UNICARE
PO Box 9016
Andover, MA 01810-0916

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Important Information Enclosed
Please Read